

## Message Text

CONFIDENTIAL

PAGE 01 STATE 075779  
ORIGIN L-03

INFO OCT-01 ARA-06 EUR-12 ISO-00 IO-13 TRSE-00 SS-15  
SCA-01 CIAE-00 INR-07 NSAE-00 NSC-05 JUSE-00  
SEC-01 /064 R

DRAFTED BY L/M:LAHUMMER:AD  
APPROVED BY L/M:KEMALMBORG  
DESIRED DISTRIBUTION  
USUN FOR MARK FELDMAN  
-----060536Z 074034 /13

R 052137Z APR 77  
FM SECSTATE WASHDC  
TO AMEMBASSY KINGSTON  
INFO AMEMBASSY SAN JOSE  
AMEMBASSY MEXICO  
AMEMBASSY NASSAU  
AMEMBASSY LONDON

C O N F I D E N T I A L STATE 075779

E.O. 11652: GDS

TAGS: PFOR, CPRS

SUBJECT: REQUEST FROM CHIEF SUPERINTENDENT CD CAYMAN ISLANDS

REF: KINGSTON 1509

1. DEPARTMENT DOES NOT UNDERSTAND REFERENCED CABLE WITH REGARD TO ROBERT VESCO AND FOLLOWING IS ATTEMPT TO CLARIFY SITUATION.

2. ALL REPEAT ALL DECISIONS ON EXTRADITION REQUESTS OR MR. VESCO ARE HANDLED BY LEGAL ADVISER'S OFFICE OF STATE DEPARTMENT AT REQUEST OF CRIMINAL DIVISION OF DEPARTMENT OF JUSTICE. IRS HAS NEVER BEEN INVOLVED.  
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3. IF MR. VESCO SHOULD SHOW UP IN CAYMAN ISLANDS OR IF ANYONE HAS INFORMATION HE MIGHT SHOW UP THERE, DEPARTMENT (L/M) WOULD, OF COURSE, BE INTERESTED SO DEPT. COULD ASCERTAIN FROM DEPT. OF JUSTICE WHETHER REQUEST FOR MR. VESCO'S PROVISIONAL ARREST SHOULD BE MADE.

4. VESCO HAS BEEN INDICTED IN SOUTHERN DISTRICT OF NEW YORK ON THREE FRAUD CHARGES, WHICH MIGHT BE EXTRADITABLE. INFORMATION ON THREE FRAUD CHARGES IS AS FOLLOWS:

A. INDICTMENT OF JUNE 1, 1973 IN NEW YORK FOR ATTEMPTED FRAUD IN VIOLATION OF 18 U.S.C. 1343. VESCO IS CHARGED WITH ATTEMPTING TO DEFRAUD INTERNATIONAL CONTROLS CORPORATION (ICC), OF WHICH HE WAS CHAIRMAN OF THE BOARD AND CHIEF EXECUTIVE OFFICER, OF \$250,000 TO REPAY A PERSONAL LOAN BY ATTEMPTING TO CHARGE FALSE OR FRAUDULENT EXPENSES IN THIS AMOUNT ON THE BOOKS AND RECORDS OF ICC.

B. INDICTMENT OF JULY 1973 IN NEW YORK FOR FRAUD IN VIOLATION OF 18 U.S.C. 1343. VESCO IS CHARGED WITH DEFRAUDING ICC OF \$50,000 BY REPRESENTING TO THE DIRECTORS, OFFICERS, AND EMPLOYEES OF ICC THAT THE \$50,000 WAS A LEGITIMATE BUSINESS EXPENSE OF ICC FOR SERVICES RENDERED TO ICC BY ONE HENRY BUHL, WHEN IN FACT THE MONEY WAS PARTIAL PAYMENT TO BUHL FOR IOS STOCK VESCO HAD PURCHASED FROM HIM.

C. INDICTMENT OF JANUARY 1976 IN NEW YORK FOR FRAUD IN VIOLATION OF 18 U.S.C. 1343. VESCO AND SIX OF HIS ASSOCIATES IN THE MANAGEMENT OF INVESTORS OVERSEAS SERVICES (IOS) LTD., WERE CHARGED OF CONSPIRING TO TRANSFER, FRAUDULENTLY MISAPPLY AND MISAPPROPRIATE MORE THAN \$100 MILLION IN IOS-MANAGED MUTUAL FUNDS TO COSTA RICAN AND BAHAMIAN SHELL CORPORATIONS FOR THEIR PERSONAL BENEFIT.

5. WARRANTS FOR ARREST OF VESCO ON ALL THE ABOVE CHARGES  
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ARE PENDING IN THE SOUTHERN DISTRICT OF NEW YORK.

6. DEPT'S RECORDS INDICATE THAT, BY EXCHANGE OF NOTES, NEW US/UK EXTRADITION TREATY, AND NOT THE OLD 1931 TREATY, IS APPLICABLE TO THE CAYMAN ISLANDS.  
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## Message Attributes

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**Disposition Approved on Date:**  
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**Disposition Date:** 22 May 2009  
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**Executive Order:** GS  
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**TAGS:** PFOR, CPRS, JM, US, (VESCO, ROBERT L)  
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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
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22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009